

**Derek J. Dorr**  
**COO, Exec. VP**  
**DECO, Inc.**

Hello. My name is Derek Dorr and I am the Chief Operating Officer and Executive Vice President of DECO, Inc. ("DECO"). I am joined by Robert Dorr, President and Chief Executive Officer of DECO and my father.

First, we would like to thank Senator Wellstone from our State of Minnesota for allowing us the opportunity to present our experience and understanding of the federal marketplace pertaining to small business development particularly from our position as a Native American owned and operated company located on the Mille Lacs Band of Ojibwe reservation, a band within the Minnesota Chippewa Tribe. We would also like to thank Senators Kerry and Inouye for allowing us this opportunity.

DECO was established in 1986. We had limited growth until 1992. At that time, Tribal Gaming began to flourish and the procurement system increased the opportunities made available to Native American owned companies such as ours. From 1992 to 1998, DECO slowly grew, with revenues increased approximately 5-10% per year.

It was not until 1998 when we started to explore the markets, programs and assistance available within the Federal Government that we truly began to enhance our potential as a Native American owned company. Specifically, in 1999, DECO was certified into the SBA 8(a) program and was the first company in the State of Minnesota to become HubZone certified. Also, DECO is currently certified under the SBA Mentor/Protégé Program were for the past year or so, we have been mentored by a large company that is a leader in the security industry. Frankly, the introduction of ~~the~~ these programs and specifically Randy Czaia at the SBA Minnesota District office has provided an overwhelming benefit to our continued growth and success. Further, the Small Business Development Centers, funded partially by the SBA and located throughout Minnesota, helped this goal as well. From 1998 through 2002, DECO's revenue will increase between 50-100% each year while maintaining a very healthy and stable Net Income! At the same time, the federal market is only about 25% of our yearly revenues while Tribal Governments remain our largest client. I am proud to tell you that DECO was awarded the 2001 Minority 8(a) Firm of the Year for the SBA Region 5 and was the first runner-up nationally. Overall, these achievements were made possible by the SBA 8(a) and Small Business programs. For DECO, participation in these programs has been extremely positive and overwhelmingly successful.

Currently, DECO is licensed to perform services from Security Guards to Security Systems to Electrical Systems and maintains contracts with a variety of clients, including the Federal government, for all of these services. We are now providing security guard services to the GSA-Federal Protective Service in Regions 5 and 7, to the U.S. Department of Commerce Bureau of Census, and the U.S. Environmental Protection Agency while providing electrical contracting services for the U.S. Department of Defense Air Force Reserve 934<sup>th</sup> Airlift Wing, the Department of Defense Grand Forks Air Force Base and the Department of Veterans Affairs Minneapolis Medical Center. Although we maintain corporate offices on the Mille Lacs Band of Ojibwe reservation in Minnesota, we also have six field offices located in other parts of Minnesota, Texas, Illinois, Indiana, Michigan, and Ohio.

As we strive for continued success, we also remained focused on key issues on the reservation. Since 1998, DECO has solely funded a Native American Apprenticeship Program where band members are given the opportunity to work on reservation projects and gain experience and training in the electrical trade. Accordingly, as these individuals' experience grows they are further supplemented with

the required educational materials and instructors to become a licensed tradesman. The final stages of this program are either completed with the cooperation of the National Electrical Contractor's Association and/or via the appropriate Minnesota state licensing agency. Since 1998 we have provided training to over 40 band members within the State of Minnesota. As a matter of fact, we feel by coupling work ethic, i.e. timeliness, attentiveness, and quality assurance with the instant rewards of a paycheck, that our projects transform from a sole economic opportunity to a long lasting community effort. Of course, without any financial or administrative assistance for this program DECO must also maintain our competitiveness within the market, which is often an obstacle.

—Upon the completion of construction of our corporate office on the reservation, our clear desire was and is to build a solid economy separate from gaming. Even though our office remains the only building within the industrial park, we feel confident that our success may eventually redefine some of the negative stereotypes within our community. With the assistance of the Mille Lacs Band of Ojibwe Chief Executive Melanie Benjamin, we continue to strive to lead by example.

However, our success depends largely on Federal Procurement procedures and policies for small, 8(a), and HubZone businesses. Particularly, through our years of growth we have experienced specific obstacles within the Federal marketplace and within the Federal Programs we work with which advocate for small businesses. For example, we have direct experience with the SBA throughout the country and have found that the procurement center representatives or safeguards overlooking the Federal procurement process are overwhelmingly understaffed. Specifically, contracts that have been in the SBA 8(a) or Small Business programs for many years have been procured outside of this arena because there are so few people watching the various areas of federal purchasing. Furthermore, the HubZone Program has extreme potential within the Federal marketplace, however with so few people administering this program full advocacy is rarely achieved. Although our HubZone status is clearly beneficial when coupled with our SBA 8(a) certification, we rarely, if ever, have received inquiries regarding our HubZone certification. Within the few years we have been 8(a) certified we have noticed a dramatic reduction in SBA personnel. In all, we feel the strength and vitality of the SBA within the federal procurement arena is essential to the ultimate success of Native American small businesses and Native American Communities.

From our experience, the most clear and direct impact the Federal government has to revitalize and maintain businesses within the Native American Community is the SBA 8(a) program. Overall, we perceive that Federal Agencies throughout the country respect this program and are striving to maintain its goals. However, there is a severe issue rising that appears to be corroding this program. This issue is the GSA Federal Supply Schedule ("FSS"). Under the Federal Acquisition Regulations, the 8(a) and small business programs are not applicable when Agencies procure under the FSS. We have had first hand experience with contracts we were originally procured under the SBA 8(a) program that were re-procured under the FSS program, without consideration of 8(a) status and given to a large business. As a matter of fact, we have heard from a variety of our federal clients that FSS procurement will soon become the leading procurement method within the federal government. If this holds true, it will likely nullify the benefits of the 8(a) and small business programs. Generally, we are not against the concept of the FSS program. However, the FSS program should be modified to include Small Business programs and thus require that 8(a) and small business contracts be remainprocured withoutwithin the program a chance in status. We believe this will help level the playing field and is a fair and simple solution to this problem.

In conclusion, throughout the past few years we have clearly benefited from the SBA and its programs. The SBA and its continued strength and influence is a key to the success of Native American Communities in the Federal contracting area.

Thank you very much for allowing us to present you this information.

